

## Message Text

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60

ACTION ARA-20

INFO OCT-01 EUR-25 ISO-00 L-03 EB-11 COME-00 TRSE-00 AID-20

SIL-01 LAB-06 OPIC-12 XMB-07 CIAE-00 INR-10 NSAE-00

PA-04 RSC-01 USIA-15 PRS-01 SPC-03 NSC-10 DRC-01

FRB-02 /153 W

----- 005551

R 141432Z DEC 73

FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC 1738

INFO AMEMBASSY LIMA

AMEMBASSY STOCKHOLM

UNCLAS LA PAZ 7507

LIMA FOR FULLMER.

E.O. 11652: N/A

TAGS: EGEN ETRD BL

SUBJ: BOLIVIA SIGNS UP FIRST METAL MECHANIC INVESTMENT.

1. GOB MININD/COM SIGNED PRELIMINARY CONTRACT DECEMBER 11 WITH SWEDISH COMPANY, ATLAS-COPCO, TO ESTABLISH PLANT IN BOLIVIA TO TAKE ADVANTAGE OF BOLIVIAN METAL-MECHANIC ASSIGNMENTS UNDER ANDEAN PACT. INITIAL PLAN IS FOR COMPANY TO MANUFACTURE HAND-HELD PNEUMATIC MINING DRILLS AND AIR COMPRESSORS LARGER THAN 40 HP. INITIALLY, ATLAS WILL INVEST \$ 4.5 MILLION, IMPORT 75 PERCENT OF PARTS AND EMPLOY 119 PERSONS. LATER INVESTMENT WILL RISE TO \$ 10.7 MILLION, EMPLOYMENT TO 244 AND PART IMPORTS WILL DECREASE TO 25 PERCENT.

2. CONTRACT WILL NOW BE REFERRED TO GOB, COMPANY'S HEADQUARTERS AND ANDEAN JUNTA. MINISTRY OFFICIALS ARE OPTIMISTIC AND PLEASED. MINISTER PEREDA CALLED THE SIGNING "THE FIRST RESPONSE TO THE CHALLENGE OF ANDEAN GROUP".

3. ATLAS-COPCO EXPECTED PUT TOGETHER FINANCIAL PLAN THAT WILL:  
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(A) TAKE AT LEAST SOME ADVANTAGE AID-FINANCED CENTRAL BANK

INDUSTRIAL REFINANCING FUND; (B) USE SWEDISH EXPORT CREDITS;  
AND (C) PROVIDE, IN ACCORDANCE ANDEAN INTEGRATION AGREEMENT,  
INCREASING LEVEL BOLIVIAN EQUITY  
PARTICIPATION IN LOCAL COMPANY.

4. GOB OFFICIALS STATE U.S. FIRM, GARDINER DENVER,  
ALSO LOOKED AT PNEUMATIC DRILL INVESTMENT BUT DROPPED  
OUT OF RUNNING SOME MONTHS BACK. AS INDICATED IN EARLIER EMBASSY  
MESSAGES AND AUGUST CONVERSATION BETWEEN ECONOFF WHITING AND  
GARDINER DENVER OFFICIALS, ATLAS-COPCO'S INVESTMENT LIKELY TO  
AFFECT GARDINER'S BOLIVIAN MARKET ADVERSELY.

5. WITH REGARD OTHER ANDEAN RELATED INVESTMENT, CONTRACT  
FOR U.S. COMPANY, DRESSER INDUSTRIES, TO MANUFACTURE TRICONE  
BITS IN PARTNERSHIP WITH BOLIVIAN SANTA CRUZ LTD. IN FINAL  
STAGES OF NEGOTIATIONS AND SIGNING EXPECTED SOON.  
STEDMAN

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** METAL INDUSTRY, INDUSTRIAL INVESTMENTS, PRIVATE INVESTMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 14 DEC 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Executive Order:** N/A  
**Errors:** N/A  
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